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FOREIGN CROPS AND MARKETS

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LATE CABLES . . .

Egypt first estimate of 1937 cotton production placed at 2,264,000 bales of 478 pounds net compared with estimate at this time last year of 1,947,000 bales and final estimate for 1936 of 1,887,000 bales. (International Institute of Agriculture, Rome.)

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GRAINS

Drought damage in Argentina apparently irreparable

Despite heavy rains in September, which broke the 6-month drought experienced in northern Córdoba and eastern Santa Fé, little benefit to the Argentine wheat crop as a whole is expected, according to a report from Agricultural Attaché P. O. Nyhus at Buenos Aires. From the drought-affected area, totaling some 3,200,000 acres, an average production of about 40,000,000 bushels of wheat has been obtained in previous years. Prospects this season indicate a crop of only about 12,000,000 bushels, or approximately the milling requirements of the region. The total Argentine crop has been tentatively placed by Mr. Nyhus at 205,000,000 bushels as against 247,834,000 bushels produced in 1936-37.

Good stands of wheat are reported south of the drought area in both Córdoba and Santa Fé, which Provinces usually account for about 40 percent of the Argentine crop. Rainfall has been deficient, however, in practically all the wheat districts of Buenos Aires, which is the most important wheat-producing Province of Argentina, and in the Territory of La Pampa. Conditions in these regions are not sufficiently promising to indicate returns that would offset the poor prospects of the drought area where the recent rains will be helpful only to early sown wheat that has not yet headed. Late sowings, which may now germinate, probably will reach the milk stage by December, when the high temperatures and dry weather generally experienced in that month would be especially injurious. It appears, therefore, that conditions from now on will have to be exceptionally favorable to counteract to any extent the damage already suffered in the drought area.

COTTON

Japanese exchange control restricts cotton imports

As a result of stringent regulations for the control of imports and foreign exchange, Japanese imports of raw cotton during the fall months will probably be materially smaller than in the corresponding months of recent years, according to a radiogram from American Consul Krentz at Kobe. Stocks of raw cotton are unusually large, however, and despite prospective reduced imports, it appears that supplies will be sufficient to maintain mill activity at a high level for the next few months. It is anticipated that permits for only about 320,000 bales will be issued until stocks have been substantially reduced, probably about January. The Japanese cotton control committee is understood to be distributing permits and stocks to enable all mills to operate, since many of the mills had stocks sufficient for only a few weeks while others were covered until spring.

It is reported that trade sources in Japan estimate probable mill consumption of cotton during the new year (September 1, 1937 - August 31, 1938) will be 25 to 30 percent under the record high level attained in 1936-37. New orders for piece goods in August were estimated at about 30 percent of production.

Japan's imports of raw cotton during August totaled 282,450 bales of 500 pounds each, of which Indian growths accounted for 162,800 bales, Brazilian 59,700 bales, and American 40,500 bales. During August of last year total imports were 266,658 bales, of which Indian made up 146,200 bales and American 54,835 bales. Imports from Brazil were not shown separately in that month of last year.

Total imports of cotton into Japan during the 12 months ended August 31, 1937, were 4,451,450 bales of 500 pounds each, the highest figure on record and about 19 percent greater than the previous record imports of 3,736,926 bales in the comparable 12 months of 1935-36. Imports of American growths in the season just ended amounted to 1,539,500 bales, or 35 percent of the total imports, as compared with 1,661,119 bales or 44 percent in the 1935-36 season.

JAPAN: Raw cotton imports, September-August 1933-34 to 1936-37
(In bales of 500 pounds)

Growth	1933-34	1934-35	1935-36	1936-37
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
United States.....	1,935,246	1,454,426	1,661,119	1,539,500
Indian.....	1,282,939	1,622,924	1,553,451	1,986,800
Egyptian.....	112,339	160,162	113,677	200,850
Chinese.....	127,403	60,811	145,546	195,000
Brazilian.....	773	7,380	69,000	227,700
Others.....	150,742	76,598	194,133	301,600
Total.....	3,609,442	3,382,301	3,736,926	4,451,450

Based on Japanese official and trade sources.

Wharf stocks of all growths at the year-end, August 31, totaled 683,700 bales, as compared with 536,234 bales on August 31, 1936. Of the August 31, 1937, total, American cotton accounted for 248,700 bales, and Indian cotton 353,200 bales. Of the total on the corresponding date of 1936, American growths comprised 133,838 bales and Indian growths 324,022 bales.

Japanese yarn production for the year ending August 31, 1937, was the highest on record, totaling 3,908,310 bales of 400 pounds. During the preceding season, it totaled 3,546,301 bales. Exports of piece goods, however, were slightly lower in 1936-37 than in the preceding year, amounting to 2,605,355,000 square yards, in comparison with the 1935-36 figure of 2,635,519,000 square yards.

JAPAN: Wharf stocks of raw cotton as of August 31, 1934 to 1937
(In bales of 500 pounds)

Growth	1934	1935	1936	1937
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
United States.....	314,000	110,510	133,838	248,700
Indian.....	387,000	241,712	324,022	353,200
Others.....	53,000	31,328	78,374	81,800
Total.....	754,000	383,550	536,234	683,700

Estimates from trade sources in Japan.

JAPAN: Yarn production and exports of piece goods, by years,
1933-34 - 1936-37

Year ended August 31	Yarn production Bales of 400 pounds	Exports of piece goods 1,000 square yards
1933-34.....	3,322,063	2,405,184
1934-35.....	3,625,955	2,792,142
1935-36.....	3,546,301	2,635,519
1936-37.....	3,908,310	2,605,355

Bureau of Agricultural Economics.

SUGAR

The world sugar situation

World sugar supplies appear to have reached a record high level in the 1936-37 marketing season, and the outlook is for still greater supplies to be made available in the current season, as stated in a report on the above subject released this week and available for distribution in the Bureau of Agricultural Economics. This report contains the information formerly included in the annual "World Sugar Situation" in "Foreign Crops and Markets."

The larger supplies in the season just closed resulted chiefly from a sharp increase in the production of cane sugar, since the output of beet sugar increased only slightly over that of the preceding season and the world carry-over stocks of cane and beet sugar combined continues to decrease. Despite the increase in supplies, however, prices of sugar advanced in 1936-37 to the highest levels since 1928-29, as a result of improved demand conditions and increased sugar consumption.

The world production of cane and beet sugar totaled 35,301,000 short tons in 1936-37, compared with 31,970,000 tons in 1935-36, the previous record high crop. Production in importing countries taken as a whole reached the record high total of 18,533,000 tons, or nearly 1,600,000 tons more than was produced in the preceding season, indicating

that the sharp upward trend, which has been in progress in these countries in the past 15 years, is continuing. Production in the principal exporting countries also increased sharply in 1936-37, totaling 16,768,000 tons, against 15,016,000 tons the year before.

World cane-sugar production in 1936-37 increased nearly 3,000,000 tons over that of the preceding season to a new high total of 24,166,000 tons, while beet-sugar production increased only slightly, or about 374,000 tons, to a total of 11,136,000 tons. Early reports indicate that the 1937 world sugar-beet acreage will be slightly larger than that harvested for sugar in 1936 and about 13 percent above the 1925-1929 average. Because of the sharp upward trend in cane-sugar production in recent years and the slight increase in the beet acreage, it is likely that world production of sugar will be further increased in 1937-38.

Stocks of raw sugar at the beginning of the 1936-37 season were the smallest in the past 8 years, totaling only slightly more than 3,300,000 tons in 19 countries for which data were available. The corresponding figure for 1937 is not yet available, but the visible supply of sugar in 16 important producing countries on June 1, 1937, was the smallest in many years. Visible supply figures have decreased from about 9,900,000 tons on June 1, 1934, to approximately 6,100,000 tons on the same date this year.

World consumption of sugar in 1936-37 is indicated to be considerably larger than during the preceding year, when it totaled almost 30,900,000 tons. There has been an increase of 1,000,000 to 2,000,000 tons in world consumption each year since the low point reached in 1932-33.

FRUITS, VEGETABLES, AND NUTS

Damage to Nova Scotian apple crop

Damage from the storms that swept through the Annapolis Valley fruit belt of Nova Scotia on September 11, 13, and 14 caused a loss of between 300,000 and 400,000 barrels of apples out of the total crop of 2,400,000 barrels, according to a news item in the Halifax Herald, writes Vice Consul Robert Jakes, 3d, at Yarmouth. In the past, early reports have overestimated the loss, and in the opinion of the consul these figures may be excessive. Despite the loss from storms, the crop this year remains substantially larger than the 1,750,000 barrels harvested in 1936. Fruit blown from the trees will be diverted to byproducts and is expected to bring from 50 to 75 cents a barrel instead of from \$6 to \$7 in the export market.

European filbert production large

The 1937 filbert crop in the three principal producing countries, Italy, Spain, and Turkey, is now estimated at 135,000 short tons,

unshelled basis, according to Agricultural Attaché N. I. Nielson at Paris. While this is only slightly above the 131,000 tons produced in those three countries in 1936, it is a large crop when compared with the 6-year average, 1929-1934, of only 91,800 tons.

Of the three principal producing countries, Italy alone is expected to have a crop smaller than that produced in 1936, although still above average. First-hand information regarding the filbert crop of Spain is not available, but indications are that the 1937 Spanish filbert crop will be in the neighborhood of 30,000 tons as compared with about 26,000 tons believed to have been produced in 1936 and the 6-year average of 26,800 tons.

Reports from Turkey indicate that the filbert crop was brought to maturity and harvested under favorable conditions. It is believed that this year's production will approximate 79,000 tons, which is a very large crop when compared with 68,000 tons produced in 1936 and the 6-year average of 44,200 tons.

It is now estimated that from September 1, 1936, to August 31, 1937, Italy, Spain, and Turkey exported a total of about 19,800 tons of unshelled filberts and 35,600 tons of the shelled product, equivalent to about 105,600 tons, unshelled basis. This may be compared with 20,050 tons of unshelled filberts and 34,000 tons of the shelled product, a total of 102,200 tons, unshelled basis, exported from those three countries in the 1935-36 season.

The 1936-37 season was a very favorable one for Italian producers. Under normal conditions Italy accounts for 70 percent of the total Mediterranean Basin exports of unshelled filberts and 7 percent of the shelled product. During the season just ended, however, Italy shipped 90 percent of the unshelled filberts and 21 percent of the shelled product. This improved demand for Italian filberts was caused not only by war conditions in Spain, which have interfered with that country's normal export trade, but also by the sale in Germany of a large share of Turkish shelled filberts, thus decreasing the competition in other markets between Turkish and Italian nuts. As a result of these conditions and in spite of the large filbert supply with which Italy opened the 1936-37 season, that country closed its season with unusually small old-crop stocks. Although the supply situation in Spain cannot be definitely stated, it is believed that, as a result of small exports, old-crop stocks within the country at the opening of the 1937-38 season were heavy. In the case of Turkey, it is estimated that, as a result of large exports and increased domestic consumption, the 1936 crop was almost all disposed of and that any stocks that may have been on hand at the opening of the 1937-38 season will be a minor factor in the marketing of the 1937 crop.

COTTON: Price per pound of representative raw cotton at Liverpool,
October 1, with comparisons

Growth	1937							
	August			September				Oct.
	13	20	27	3	10	17	24	1
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
American -								
Middling.....	12.32	12.01	11.67	11.49	11.25	11.02	10.47	10.09
Low Middling.....	10.76	10.45	10.11	9.94	9.71	9.47	8.92	8.54
Egyptian (Fully Good Fair)								
Sakellaridis.....	19.28	18.93	18.69	18.64	18.26	17.99	17.56	17.02
Uppers.....	17.82	17.33	15.91	15.66	15.11	14.51	13.91	13.60
Brazilian (Fair) -								
Ceara.....	10.97	10.66	10.32	10.14	9.91	9.68	9.13	8.75
Sao Paulo.....	11.90	11.60	11.25	11.28	11.05	10.81	10.26	9.88
East Indian -								
Broach (Fully Good).....	10.47	10.25	9.95	9.75	9.48	9.06	8.62	8.05
C. P. Oomra No. 1, Superfine	10.84	10.62	10.32	10.12	9.85	9.57	9.13	8.67
Sind (Fully good).....	9.60	9.37	9.08	8.88	8.61	8.46	8.27	7.99
Peruvian (Good)								
Tanguis.....	15.85	15.55	15.19	15.00	14.76	14.54	13.97	-

Converted at current exchange rate.

BUTTER: Price per pound in New York, San Francisco, Copenhagen, and London,
September 30, 1937, with comparisons

Market and description	Week ended		
	October 1, 1936	September 23, 1937	September 30, 1937
	Cents	Cents	Cents
New York, 92 score.....	33.5	35.5	36.0
San Francisco, 92 score	35.5	36.0	36.0
Copenhagen, official quotation...	22.0	25.0	25.1
London:			
Danish.....	27.5	30.5	30.8
New Zealand.....	22.8	26.6	28.1
Dutch.....	21.5	26.8	27.8

Foreign prices converted at current rates of exchange.

BUTTER: New Zealand grading, 1937-38 season to September 25,
with comparisons

Date	1934-35	1935-36	1936-37
Week ended	1,000 pounds	1,000 pounds	1,000 pounds
August 1 to June 25.....	289,725	314,306	331,906
July 2.....	806	560	644
9.....	728	616	672
16.....	1,036	616	700
23.....	1,064	1,064	879
30.....	1,926	1,361	644
Monthly total.....	5,530	4,217	3,539
Total 1936-37 season.....	295,235	518,523	335,445
	1935-36	1936-37	1937-38
August 7.....	2,419	2,016	1,792
14.....	3,898	2,811	2,688
21.....	3,864	5,266	3,416
28.....	4,536	4,832	3,608
Monthly total.....	14,717	12,925	11,504
September 4.....	4,368	5,040	4,816
11.....	5,040	5,544	5,488
18.....	5,376	5,880	6,272
25.....	5,768	6,664	6,579
Monthly total.....	20,552	23,128	23,155
Total to September 25.....	35,269	35,353	34,859

Agricultural Attaché C. C. Taylor, London.

BUTTER: Australian grading, 1937-38 season to September 11,
with comparisons

Date	1935-36	1936-37	1937-38
Week ended	1,000 pounds	1,000 pounds	1,000 pounds
July 10.....	1,044	502	811
17.....	907	506	896
24.....	1,147	598	900
31.....	1,254	764	793
Monthly total.....	4,352	2,370	3,400
August 7.....	1,337	943	1,310
14.....	1,315	1,942	1,102
21.....	1,579	1,516	1,107
28.....	2,041	2,027	1,418
Monthly total.....	6,272	6,428	4,937
September 4.....	2,379	2,612	1,693
11.....	3,040	2,639	2,083
Total to September 11.....	16,043	14,049	12,113

Weekly Dairy Produce Notes, Imperial Economic Committee.

EXCHANGE RATES: Average weekly and monthly values in New York of specified currencies, October 2, 1937, with comparisons a/

Country	Monetary Unit	Month					Week ended		
		1935	1936	1937			1937		
		Sept.	Sept.	July	Aug.	Sept.	Sept. 18	Sept. 25	Oct. 2
		Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Argentina....	Paper peso...	32.86	33.61	33.11	33.21	33.02	33.02	33.02	33.00
Canada.....	Dollar.....	99.26	100.02	99.86	99.98	99.98	99.98	99.98	99.99
China.....	Shang. yuan.	37.62	29.94	29.49	29.65	29.66	29.65	29.66	29.62
Denmark.....	Krone.....	22.01	22.48	22.17	22.24	22.11	22.11	22.11	22.10
England.....	Pound.....	493.07	503.63	496.72	498.22	495.30	495.42	495.26	495.04
France.....	Franc.....	6.59	6.34	3.80	3.75	3.52	3.44	3.41	3.40
Germany.....	Reichsmark..	40.23	40.08	40.20	40.21	40.12	40.12	40.11	40.12
Italy.....	Lira.....	8.14	7.85	5.26	5.26	5.26	5.26	5.26	5.26
Japan.....	Yen.....	28.94	29.41	28.88	29.03	28.87	28.87	28.87	28.83
Mexico.....	Peso.....	27.76	27.75	27.75	27.75	27.75	27.75	27.75	27.75
Netherlands..	Guilder.....	67.56	66.25	55.09	55.15	55.15	55.06	55.24	55.27
Norway.....	Krone.....	24.77	25.30	24.96	25.03	24.88	24.89	24.88	24.87
Sweden.....	Krona.....	25.42	25.96	25.61	25.68	25.33	25.54	25.53	25.52
Switzerland..	Franc.....	32.50	31.42	22.92	22.96	22.97	22.97	22.96	22.97

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

LIVESTOCK AND MEAT: Price per 100 pounds in specified European markets, September 29, 1937, with comparisons a/

Market and item	Week ended		
	September 30, 1936	September 22, 1937	September 29, 1937
	Dollars	Dollars	Dollars
Germany:			
Price of hogs, Berlin.....	17.70	18.06	18.06
Price of lard, tcs., Hamburg.....	12.84	12.65	12.39
United Kingdom: b/			
Prices at Liverpool first quality -			
American green bellies.....	17.87	Nominal	Nominal
Danish Wiltshire sides.....	22.06	23.66	23.65
Canadian green sides.....	19.23	22.45	22.43
American short cut green hams.....	19.36	23.92	24.35
American refined lard.....	13.34	14.85	14.70

Liverpool quotations are on the basis of sales from importer to wholesaler.

a/ Converted at current rate of exchange.

b/ Week ended Friday.

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